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THE WORLD ECONOMY AND THE IDB

ANNCR:

NEWS ANALYST FRED GALVAN EXAMINES THE ROLE OF THE INTER-AMERICAN BANK WITHIN THE WORLD EFFORT TO DEVELOP THE ECONOMIES OF THE LESS-AFFLUENT NATIONS.

VOICE:

THE TINY ISLAND OF CANCUN, OFF MEXICO'S GULF COAST NEXT WEEK WILL BE THE SITE OF A MEETING DIRECTLY RELATED TO WORK ALREADY UNDERWAY AT ANOTHER MEETING IN NAIROBI, KENYA. THE MEXICAN CONFERENCE IS THE INTER-AMERICAN DEVELOPMENT BANK'S ANNUAL MEETING. AND DEVELOPMENT -- THIRD WORLD DEVELOPMENT -- IS THE PRIME CONCERN OF SOME ONE HUNDRED FIFTY COUNTRIES MEETING IN KENYA. THEY FORM THE UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT (UNCTAD).

AT BOTH MEETINGS -- THE ONE IN MEXICO AND THE ONE IN KENYA -- THE PROBLEMS OF THE DEVELOPING WORLD IN FINDING MARKETS FOR ITS AGRICULTURAL AND MINERAL PRODUCTS WILL BE DOMINANT. THE INTER-AMERICAN BANK FOR MOST OF ITS FIFTEEN YEARS HAS EMPHASIZED THE IMPORTANCE OF AGRICULTURAL DEVELOPMENT AS A SOURCE OF FOREIGN REVENUES FOR THE WESTERN HEMISPHERE'S DEVELOPING NATIONS. AS ONE OF MANY EXAMPLES -- THIS PAST YEAR, SAW THE COMPLETION OF A PROJECT FINANCED BY THE BANK WHICH WILL DIRECTLY BENEFIT SMALL-SCALE GRAIN FARMERS. SIX NEW GRAIN ELEVATORS IN FOUR CITIES IN COLOMBIA'S INTERIOR ARE ALREADY IN OPERATION, AS ARE SIX METAL SILOS IN RURAL AREAS. IN ADDITION, THE BANK LOAN FINANCED THE IMPROVEMENT OF ELEVEN FACILITIES FOR BULK HANDLING OF GRAIN AT TWO OF COLOMBIA'S PORTS.

THE VERY FACT THAT THE INTER-AMERICAN BANK'S MEETING IS TAKING PLACE IN CANCUN IS A DRAMATIC EXAMPLE OF HOW ITS LOANS HELP A DEVELOPING NATION'S ECONOMY AND OPEN IT UP TO TOURISTS AND BUSINESSMEN FROM EVERYWHERE. FOR THE ISLAND OF CANCUN HAS BEEN DEVELOPED BY MEXICO AS A MAJOR TOURIST ATTRACTION WITH FUNDS FROM THE BANK -- FUNDS WHICH BUILT THE CONFERENCE SITE WHERE THE BANK MEETING WILL BE HELD, AND THE AIRPORT LINKING THE ISLAND TO THE MEXICAN MAINLAND.

AT BOTH MEETINGS -- IN NAIROBI AND IN MEXICO -- A NEW APPROACH TO THE FINANCING OF DEVELOPMENT PROJECTS WILL BE MUCH ON THE MINDS OF PARTICIPANTS. IT IS THE UNITED STATES PROPOSAL FOR CREATION OF A NEW INTERNATIONAL RESOURCES BANK TO GENERATE NEW SOURCES OF DEVELOPMENT CAPITAL.

THE UNITED STATES, IN MAKING THE PROPOSAL LAST WEEK AT THE UNCTAD CONFERENCE, SHOWED IT IS AWARE OF ITS IMPACT ON OTHER WORLD INSTITUTIONS. THE KISSINGER SPEECH WHICH OUTLINED THE U.S. INITIATIVE UNDERSCORED THE NEED FOR COORDINATION OF THE ACTIVITIES OF THE PROPOSED RESOURCES BANK WITH OTHER INSTITUTIONS SUCH AS THE WORLD BANK, THE INTER-AMERICAN BANK AND ITS ASIAN AND AFRICAN COUNTERPARTS.

AND SO, THE IDB'S MEETING IN CANCUN THIS YEAR TAKES ON ADDED SIGNIFICANCE. FOR IT WILL AFFORD AN OPPORTUNITY FOR THE WESTERN HEMISPHERE MINISTERS AND OTHER ECONOMIC EXPERTS TO RELATE MORE CLOSELY TO THE WORLD EFFORT TO IMPROVE THE LOT OF THE DEVELOPING NATIONS IN A COORDINATED, ORDERLY MANNER.

IN SUM, THE MEETINGS -- THE WORLDWIDE ONE IN NAIROBI AND THE REGIONAL ONE IN CANCUN -- ONCE MORE UNDERLINE THE ECONOMIC INTERDEPENDENCE OF THE WORLD TODAY.

GH/CAK